

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** October 8, 2003

**SUBJECT:** Fiscal Impact Statement: “District of Columbia Bus Shelter Act of 2003”, “District of Columbia Bus Shelter Emergency Act of 2003” and “District of Columbia Bus Shelter Temporary Act of 2003” (Revised)

**REFERENCE:** Draft – No bill number

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**Conclusion**

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the “District of Columbia Bus Shelter Act of 2003.” Revenue from the current franchise agreement is deposited into the General Fund. Revenue generated from franchise fees under a new franchise agreement above the \$1.2 million in the current franchise agreement will be deposited into the District of Columbia Local Road Construction and Maintenance Fund. Revenue generated as a result of any extension of the existing franchise agreement will continue to be deposited into the General Fund.

The proposed legislation will have no impact on the General Fund. The revenue generated for the Local Road Construction and Maintenance Fund for FY 2004 through FY 2007 cannot be estimated until a franchisee is selected and a contract is signed.

**Background**

The District of Columbia Bus Shelter Act of 2003 authorizes the District of Columbia Department of Transportation (DDOT) to enter into a bus shelter franchise agreement for the design, construction, fabrication, installation and maintenance of all bus shelters at no cost to the District and authorizes the franchisee to place advertisements on some of the bus shelters. The proposed legislation sets out the items to be included in the franchise agreement, including the number of bus shelters, the specific location of the first 100 bus

shelters and any limitations on the type of advertising permitted. The proposed legislation also states that bus shelters should contain the minimum amount of advertising necessary to provide the desired economic return to the District and the amenities specified in the franchise agreement.

Currently, \$1.2 million in bus shelter franchise fees is included as part of the General Fund revenue annually for the years FY 2004 through FY 2007 because this is the amount collected by DDOT under its current franchising agreement. Under the proposed legislation, the first \$1.2 million of funds paid to the District annually under a new franchise agreement are to be deposited into the General Fund. Any funds in excess of \$1.2 million are to be deposited in the Local Road Construction and Maintenance Fund.

### **Financial Plan Impact**

The proposed legislation will have no impact on the General Fund in FY 2004 through FY 2007 because the first \$1.2 million in bus shelter franchise fees paid annually will continue to flow to the General Fund. The magnitude of the positive impact to the Local Road Construction and Maintenance Fund in FY 2004 through FY 2007 cannot be estimated until after a franchisee is selected and a contract signed.